

**MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK**

**SPECIAL SESSION  
February 25, 2003**

The Board of Supervisors of Maricopa County, Arizona convened at 10:15 a.m. February 25, 2003, in the Board of Supervisors' Auditorium, 205 W. Jefferson, Phoenix, Arizona, with the following members present: Fulton Brock, Chairman; Don Stapley, Max W. Wilson, and Mary Rose Wilcox. Absent: Andy Kunasek, Vice Chairman. Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Administrative Coordinator; David Smith, County Administrative Officer; and Paul Golab, Deputy County Attorney.

**PRESS CONFERENCE REGARDING STATE BUDGET PROPOSALS**

Chairman Brock opened the press conference by stating that the Maricopa County Board of Supervisors oppose the very deep and significant budget cuts proposed for Arizona Counties by the Joint Legislative Budget Committee (JLBC) for Arizona counties. He indicated that the cuts proposed for Maricopa County would significantly impact the County's ability to maintain the high standards it has practiced the past 10 years and which were recognized last year in a national study. Those areas of government expected to be most heavily affected include:

- Health care (including indigent services)
- Law enforcement and the legal system
- Transportation
- Sick and indigent
- Education
- Quality of life (libraries, parks & recreation)

Maricopa County is an "arm of state government" and approximately 95 per cent of the County's budgeted expenditures is mandated by the state and federal government and is therefore for non-discretionary spending. The Maricopa County budget totals approximately \$2.2 billion yearly but less than \$22 million remains after mandated expenditures are allocated for discretionary or unrestricted use. Chairman Brock said, "Last year \$13 million of that \$22 million had to be transferred to the Maricopa Integrated Health System, which has long struggled to maintain its high standard of service with very inadequate funding." He explained that the County has already complied with a \$21 million cut from the state and has been forewarned of an additional \$11 million cut, making a total of \$32 million for the fiscal year that ends June 30, 2003. Through conservative and responsible management the County has been able to maintain its solvency despite the unexpected financial crisis confronting all areas of government. However, the proposed budget cuts for FY 2003-04 could carry an impact amounting to \$90 to \$100 million and this would definitely result in a significant, long-term negative consequence to the County's service standards and ability to maintain employment levels. The Chairman said, "It's our goal, if possible, not to have any employee cuts or downsize any County department but we're already operating at a very conservative level. If you compare Maricopa County's budget per department and the number of employees per department, you find that there is no other county in the U.S. that delivers such efficient, dollar for dollar service to residents."

Chairman Brock said the County's first priorities are in the areas of public safety and public health. He explained that a close look is being given to the County's Health Care System, which consistently operates in the red. A task force has been formed to devise possible funding solutions, however, some clinics may have to be closed. The Scottsdale Clinic, which is the one losing the most money each year, has been discussed publicly at several Board meetings and the clinics in Mesa and Avondale are also being carefully scrutinized. The Chairman said, "We don't want to have to close any of the clinics but staffing and delivering those medical services is very expensive. We are looking for solutions."

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The Chairman cited current shortages in the number of judges and commissioners, detention officers and Sheriff's deputies. He asked, "How much deeper can we cut when we're already short?" When discussing conservative uses of available funding he compared Maricopa and San Diego Counties, which have approximately the same population. He said, "San Diego County also has a five-member Board of Supervisors and each of them has a staff of 10-12 people. Maricopa County's Board members average two staff members per Supervisor."

Supervisor Stapley remarked, "All fifteen Arizona Counties are united in the message this board is endeavoring to convey today. We empathize with the budget crisis the State is facing but we don't believe that the first thing they need to do is to shift the burden to the local programs and taxpayers." He continued, "We're suffering from the same shrinking dollars that the State has suffered from over the past two fiscal years but the County took remedial actions to maintain balance in our budget before it was too late." He stated that shifting the state's financial burdens to our criminal justice, probation, health care, and other core agencies equates to a double or triple hit to county finances. "These are government services that are essential. These are programs that the taxpayers of Maricopa County want to keep in place as a safety net." He indicated that all fifteen counties want state leadership to know that they would prefer to work with them in designating their budget cuts rather than being on the receiving end of some bad decisions made for them by State officials who do not know specific details that are needed to make wise choices. He said that there are creative ways to trim the budget short of shifting prisoners to county jails, cutting grants to education programs and cutting shared tax revenues that are used for indigent health care and criminal justice systems. He stated, "These are the programs that provide protection to citizens who can least protect themselves."

Supervisor Wilcox said that all the County Supervisors in the state have met and in one united voice sent their message to the Governor and the state legislators, "No! No more cuts." She said that Maricopa County had already received thousands of dollars in budget cuts, "We have handled them and the County is still operating in a good fiscal manner. 'You have to do the same.'" She reminded everyone of the County's catastrophic near-bankrupt situation in the mid-1990s. "We handled that too. We put a business plan into effect and we adhered to that business plan. It wasn't easy not to give the raises that were deserved; not to give some of the career promotions we wanted to; but we were very strong. We didn't cut services but we did cut out almost all of mid-management, and we righted our ship. The state has to do the same thing.

Sixty percent of the state's escalating population lives in Maricopa County, which is either the first or second fastest growing county in the country. Supervisor Wilson said, "You're talking about a population of 3,200,000 people. We're talking about a yearly budget in excess of \$2 billion, and when we talk about that it sounds like a large number but when you talk about the services we provide it isn't a large number." He reminisced about neighboring ranchers in his home town and said, "if one of them got in a financial bind we went over and helped him out. I don't remember ever hearing of a case where we helped somebody who was in trouble by taking money out of their checkbook and that's kind of what's happening to Maricopa County now." He read a letter from Sharon Bronson, President of the County Supervisors Association (CSA), that was sent to the legislature. It stated that counties are constitutionally prohibited from returning to their voters to adjust revenues and that Supervisors throughout the state have united in their resolve that Arizona Counties cannot sustain further cuts.

The Supervisors took questions with one or more of them responding to each question.

Q. What can we do to help? Are there letters we can write? (From a County employee.)

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- A. You're already helping by offering residents outstanding and efficient service. We're proud of our dedicated employees whose combined efforts made the difference in achieving the designation as one of the two best run counties in America – Maricopa County and Fairfax County in Virginia received the only "A" grades of all the counties surveyed. Maricopa County did this with fewer people and a smaller budget than any other comparably populated county in the U.S. the suggestion was given that employees could send letters to their legislators and to newspapers, "Find out who is serving you, the citizen, and let them know how you feel."
- Q. All agencies across the board are saying, "Don't take from us, don't take from us." Why should the State listen to you and not to them?
- A. County government is the government closest to the people and we deliver basic services. We stretch our dollars and services into each and every one of the 28 cities and towns in the County. Maricopa County's Health Department inspects every restaurant that is open to the public in every city and town. The County's courts handle cases from every city and town. County deputies serve all areas throughout the County, which stretches 120 miles, east and west and 110 miles north and south. Maricopa County is receiving the same lower revenue from sales tax receipts as the State. "To have them shift additional burdens from the State's shortfall to us can hit our budget two or three times for the same thing. The state is shifting the cost to us to solve the problems they created. There are better ways to reduce costs than they're using. The County resolved a similarly massive shortfall a decade ago and we've been solvent ever since. Call on our experts. Let us help you."
- Q. Someone spoke of wanting to be at the table, are you talking about the House and Senate budget meetings?
- A. Yes. At this point we have had access to various individuals, but the County is not a player at the table. We could be of assistance to them in knowing the most efficient ways and areas to apply the reduced funding to. "But none of the counties have been called on for this." Speaker Jake Flake has a good understanding of our dilemma and has said the state will not shift the burden to the counties beyond what they can absorb. He's asked us for ideas and we're giving him some. "The biggest concern is that the greater body of the legislature will move forward with the cuts irrespective of leadership." The Governor, Legislative leaders and all the members were asked to hear the message the counties are sending them today.
- Q. How much is being shifted to the counties in terms of unfunded mandates?
- A. 95-99% of the present budget is unfunded mandates. The state has given us \$21 million in cuts already and likely another \$11 million in this fiscal year. In July it could be another \$90+million cut from the 2003-04 budget. Essentially this means close to \$120 million in funding cuts to mandated programs in two years.
- Q. I know it's not a lot of money in the big picture, but the Sheriff is saying they don't need the shooting range you've just approved.
- A. Some of the Sheriff's top people claim that they do need it and they do want it. It's an expanded public service to residents out there and not just a private service for training the deputies. The money has already been budgeted and there's a possibility of getting Homeland Security/anti-terrorist monies to help fund it. There are also agreements in place to receive contributions from Pulte Corporation, Del Webb Division, and they had a reason for wanting it. We've been working on this for two years and Sheriff Arpaio actually brought it to us with Del Webb. It's confusing, and there's been some miscommunication. We'll definitely take another look at it if the Sheriff now says he doesn't want it.

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- Q. If these proposed cuts from the State go through what's going to happen at the County?
- A. We don't know yet. We don't know how deep they will go. Our hope is that they will reconsider those deep cuts because we can't go much deeper without it affecting basic services and staff. The county can handle the 2002-03 \$32 million budget cut. The big concern is the 2003-04 proposed cuts, which are tremendous for all the counties. It's a disaster in the making and it's what prompted the counties to join together to say "No More."
- Q. Has the State eliminated some of the mandates to go along with these budget cuts?
- A. No, not as far as we are aware.
- Q. When will the state make the decision on the budget? (David Smith responded to this question.)
- A. The FY 2003 negotiations have been on-going since last fall with a weekly accounting on a rolling-deficit of around \$300 million for this fiscal year. They're facing a \$1 to \$1.5 billion deficit in 2004. They constantly talk about how to close that gap and have cut State agencies a significant amount and passed \$21 million to Maricopa County, asking for another \$11 million. We would like to change the nature and areas of some of the cuts. For example, a new area, Restoration of Competency, regarding people charged with crimes who may be mentally ill, is something the County would prefer to take over the program instead of paying the state Hospital \$430 a day per patient. We would like to take it over and run it our way. We think we could save money. We could do it better. We'd take that mandate with its limited amount of funds and taxpayers and all government levels would save money. But they don't ask for suggestions like that. They simply come along and say, "We'll shift \$20 million of former state aid for Probation Services and take it out of your Shared Sales Tax revenues. "That's a lose-lose situation because you haven't changed the nature of delivering the service, you haven't increased public safety, you've encouraged the State to simply use that easy, back-door way of financing a service. We think everything should be transparent, open and honest." He added, "It's a complex situation and we can handle some things better; call or e-mail us and let us know your suggestions."

The Supervisors closed the press conference with a restatement of their commitment to continue to keep County employees informed of developments with budget projections and to look at every option in the suggestions short of layoffs.

**MEETING ADJOURNED**

There being no further business to come before the Board, the session was adjourned.

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Fulton Brock, Chairman of the Board

ATTEST:

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Fran McCarroll, Clerk of the Board